

AMENDED IN SENATE APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1745

Introduced by ~~Committee on Health (Chan (Chair), Aghazarian (Vice Chair), Berg, Cohn, Frommer, Gordon, Jones, Montanez, Negrete McLeod, Ridley-Thomas, and Strickland)~~ Assembly Member Chan

(Principal coauthor: Senator Perata)

(Coauthor: Senator Ortiz)

March 2, 2005

An act to ~~amend Section 14100.5 of~~ *add Section 14132.74* to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1745, as amended, ~~Committee on Health Chan~~. Medi-Cal: ~~administrative costs; pediatric palliative care benefit.~~

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which qualified low-income persons receive health care benefits, including hospice benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions.

This bill would require the department to develop, as a pilot project, a pediatric palliative care benefit to evaluate whether, and to what extent, such a benefit should be offered under the Medi-Cal program. It would require that the pilot project be implemented only to the extent that federal financial participation is available, and would require the department to submit a waiver application for federal approval.

The bill would require that beneficiaries eligible to receive the pediatric palliative care benefit be 21 years of age or younger, and would allow the department to further limit the population served by the project to make the above evaluation. It would require that the services available under the project include those types of services that are available through the Medi-Cal hospice benefit, and certain other services. The bill would provide that authorized providers under the pilot program shall include licensed hospice agencies and home health agencies licensed to provide hospice care, subject to criteria developed by the department for provider participation.

~~Existing law requires the department to prepare and submit Medi-Cal program assumptions and estimates to the Department of Finance for the purpose of clearly identifying changes within the Medi-Cal program which have policy or fiscal implications, and to produce reliable forecasts of Medi-Cal expenditures.~~

~~Existing law requires the department to submit an estimate of Medi-Cal program expenditures to the Department of Finance twice a year and requires all approved estimates and supporting data provided by the department or developed independently by the Department of Finance to be made available to the legislative fiscal committees following approval by the Department of Finance, and to be forwarded to the legislative fiscal committees twice a year if this information is not released earlier.~~

~~This bill would require the approved estimates and supporting data to also be made available and forwarded to the legislative health committees pursuant to these provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 14132.74 is added to the Welfare and*
- 2 *Institutions Code, to read:*
- 3 *14132.74. (a) The department, in consultation with interested*
- 4 *stakeholders, shall develop, as a pilot project, a pediatric*
- 5 *palliative care benefit to evaluate whether, and to what extent,*
- 6 *such a benefit should be offered under the Medi-Cal program.*
- 7 *The pilot project shall be implemented only to the extent that*
- 8 *federal financial participation is available.*

1 ***(b) Beneficiaries eligible to receive the pediatric palliative***
2 ***care benefit shall be 21 years of age or younger. The department***
3 ***may further limit the population served by the pilot project to a***
4 ***size deemed sufficient to make the evaluation required pursuant***
5 ***to subdivision (a).***

6 ***(c) Services covered under the pediatric palliative care benefit***
7 ***shall be designed to meet the unique needs of children, and shall***
8 ***include those types of services that are available through the***
9 ***Medi-Cal hospice benefit. The benefit shall also include the***
10 ***following services, regardless of whether those services are***
11 ***covered under the Medi-Cal hospice benefit:***

12 ***(1) Hospice services that are provided at the same time that***
13 ***curative treatment is available, to the extent that the services are***
14 ***not duplicative.***

15 ***(2) Hospice services provided to individuals whose conditions***
16 ***may result in death, regardless of the estimated length of the***
17 ***individual's remaining period of life.***

18 ***(3) Any other services that the department determines to be***
19 ***appropriate.***

20 ***(d) The department, in consultation with interested***
21 ***stakeholders, shall determine the medical conditions and***
22 ***prognoses that render a beneficiary eligible for the benefit.***

23 ***(e) Providers authorized to provide services under the pilot***
24 ***program shall include licensed hospice agencies and home***
25 ***health agencies licensed to provide hospice care, subject to***
26 ***criteria developed by the department for provider participation.***

27 ***(f) (1) The department shall submit any necessary application***
28 ***to the federal Centers for Medicare and Medicaid Services for a***
29 ***waiver to implement the pilot project described in this section.***
30 ***The department shall determine the form of waiver most***
31 ***appropriate to achieve the purposes of this section. The waiver***
32 ***request shall be included in any waiver application submitted***
33 ***within six months after the effective date of this section, or shall***
34 ***be submitted as an independent application within that time***
35 ***period. After federal approval is secured, the department shall***
36 ***implement the waiver within six months of the date of approval.***

37 ***(2) The waiver shall be designed to cover a period of time***
38 ***necessary to evaluate the medical necessity for, and***
39 ***cost-effectiveness of, a pediatric palliative care benefit. The***
40 ***results of the pilot project shall be made available to the***

1 *Legislature and appropriate policy and fiscal committees to*
2 *determine the effectiveness of the benefit.*

3 *(g) Notwithstanding Chapter 3.5 (commencing with Section*
4 *11340) of Part 1 of Division 3 of Title 2 of the Government Code,*
5 *the department may implement the provisions of this section by*
6 *means of provider bulletins or similar instructions, without the*
7 *adoption of regulations. The department shall notify the fiscal*
8 *and appropriate policy committees of the Legislature of its intent*
9 *to issue a provider bulletin or other similar instruction at least*
10 *five days prior to issuance.*

11 *(h) (1) Nothing in this section shall result in the elimination*
12 *or reduction of any covered benefits or services under the*
13 *Medi-Cal program or the California Children's Services*
14 *Program.*

15 *(2) This section shall not affect an individual's eligibility to*
16 *receive, concurrently with the benefit provided for in this section,*
17 *any services, including home health services, for which the*
18 *individual would have been eligible in the absence of this section.*

19 ~~SECTION 1. Section 14100.5 of the Welfare and Institutions~~
20 ~~Code is amended to read:~~

21 ~~14100.5. (a) The department shall prepare and submit~~
22 ~~Medi-Cal program assumptions and estimates to the Department~~
23 ~~of Finance. The purpose of the assumptions and estimates shall~~
24 ~~be to clearly identify changes within the Medi-Cal program~~
25 ~~which have policy or fiscal implications, and to produce reliable~~
26 ~~forecasts of Medi-Cal expenditures.~~

27 ~~(b) Medi-Cal program assumptions and estimates shall be~~
28 ~~organized by and correspond to Budget Act or Budget Bill item~~
29 ~~numbers, separately identifying expenditures for all of the~~
30 ~~following:~~

31 ~~(1) Purchase of medical care and services.~~

32 ~~(2) Rate increases.~~

33 ~~(3) County administration.~~

34 ~~(4) Fiscal intermediary services.~~

35 ~~(c) Estimates and assumptions shall indicate state and federal,~~
36 ~~as well as total, funds expended.~~

37 ~~(d) The department shall submit, by September 10 and March~~
38 ~~1 of each year, to the Department of Finance for its approval, all~~
39 ~~assumptions underlying all Medi-Cal program estimates. The~~
40 ~~Department of Finance shall approve or modify, in writing, the~~

1 assumptions underlying all estimates within 15 working days of
2 their receipt. If the Department of Finance does not so approve or
3 modify the assumptions by that date, the assumptions, as
4 presented by the department, shall be deemed to be approved by
5 the Department of Finance as of that date.

6 (e) ~~The department shall submit an estimate of Medi-Cal~~
7 ~~program expenditures to the Department of Finance by~~
8 ~~November 1 of each year, and April 20 of each year. All~~
9 ~~approved estimates and supporting data provided by the~~
10 ~~department or developed independently by the Department of~~
11 ~~Finance, shall be made available to the legislative fiscal and~~
12 ~~health committees following approval by the Department of~~
13 ~~Finance. However, departmental estimates with supporting data~~
14 ~~shall be forwarded to the legislative fiscal and health committees~~
15 ~~on or about January 10 and May 15 of each year in the event this~~
16 ~~information has not been released earlier.~~

17 (f) ~~Each Medi-Cal assumption shall contain a clear narrative~~
18 ~~description of the statutory, regulatory, or policy change, or other~~
19 ~~change, that has occurred or will occur which affects Medi-Cal~~
20 ~~program expenditures or which is of policy importance. Each~~
21 ~~assumption shall include a cost estimate which contains relevant~~
22 ~~workload, caseload, unit cost and other data or information~~
23 ~~needed to support the estimate.~~

24 (g) ~~The assumptions related to purchase of medical care and~~
25 ~~services shall include a section with a nontechnical description of~~
26 ~~the major variables used to produce a base projection. This~~
27 ~~section shall further contain an estimate of the fiscal impact of~~
28 ~~the use of these variables. The estimates related to purchase of~~
29 ~~medical care and services shall include current and budget year~~
30 ~~base projections of eligibles, users, expenditures and cost per~~
31 ~~user by quarter with sufficient past actual data to permit~~
32 ~~evaluation of the projections. The projections shall be prepared~~
33 ~~by service category and aid category. The Department of Finance~~
34 ~~shall identify a high, mid, and low range of Medi-Cal service~~
35 ~~expenditures, which shall be accompanied by assumptions, when~~
36 ~~the estimates are released to the Legislature.~~

37 (h) ~~The assumptions or estimates related to fiscal intermediary~~
38 ~~services shall contain a narrative description of how the forecasts~~
39 ~~are prepared. Sufficient historical workload by claim type and~~
40 ~~expenditure data shall accompany the forecasts to permit~~

1 evaluation. Change orders to the fiscal intermediary contract
2 shall be fully described and costs estimated. In addition,
3 important modifications to the Medi-Cal claims processing
4 system not associated with change orders shall be described and,
5 if appropriate, costs or savings, estimated.

6 (i) Assumptions or estimates related to Medi-Cal county
7 administration costs shall contain a narrative description of how
8 the forecast was prepared. Current and budget year estimates by
9 county shall be prepared. The estimates shall compare past actual
10 and projected workload and expenditures in a format which will
11 permit evaluation of forecasts. Changes in expenditure estimates
12 for individual counties resulting from allocation of funds or other
13 factors shall be identified in subsequent estimates. Unallocated
14 funds and funds for special projects or special problems shall be
15 separately identified. The department shall compare budgeted
16 and actual expenditures by county as soon as the information
17 from county quarterly costs reports becomes available.

18 (j) The estimates shall compare budgeted to implemented rate
19 increases for the current year. The comparisons shall be by
20 provider category and shall compare budgeted to implemented
21 increases in terms of percentage increases, date of
22 implementation, and revised estimated cost.